

INDUSTRY CIRCULAR

OFFICE OF THE COMMISSIONER OF INTERNAL REVENUE
ALCOHOL AND TOBACCO TAX DIVISION



WASHINGTON 25, D. C.

Industry Circular No. 59-39

June 12, 1959

AMENDMENT OF 26 CFR PART 245, BEER

Brewers and others concerned:

Purpose. This circular is to inform you of the adoption, effective July 1, 1959, of the proposed amendments of the beer regulations (26 CFR Part 245) which were published as a notice of proposed rule making in the Federal Register of April 21, 1959. Notice of adoption of the amendments was published in the Federal Register of June 12, 1959.

General. The regulations as adopted are substantially the same as the notice except for one basic change. The notice of proposed rule making would have continued the requirement that a brewer file an application to dispose of beer removed from the market, if he intends to obtain refund of, or credit for, the tax paid thereon. Comments received during the notice period indicated that this requirement was unnecessarily restrictive. Accordingly, the final regulations, as published, will require only a notice of intent, rather than an application. The language of section 245.161 was also changed to clarify circumstances under which such a notice is required.

Notice of Intent. A notice will be filed, with the assistant regional commissioner in most instances, to cover beer which, after being removed from the market, is to be destroyed, whether the beer is returned to the brewery or stored elsewhere. Notice will also be filed to cover beer removed from the market and returned to the brewery for use as material, for reconditioning, or for subsequent removal for consumption or sale without reconditioning. Where the notice covers beer to be destroyed, used as material, or reconditioned, it must show the date on which the action is to be taken and such date must be at least 10 days after the date of the notice, unless it is given to an inspector at the brewery for immediate action or, in the case of beer to be reconditioned, unless delay would result in hardship.

Inquiries. Inquiries in regard to this industry circular should refer to the number thereof and should be addressed to the office of your assistant regional commissioner (alcohol and tobacco tax).

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